



CALIFORNIA STATE PUBLIC WORKS BOARD

GRAY DAVIS, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

STATE PUBLIC WORKS BOARD

March 2, 2001

MINUTES

PRESENT:

Mr. Dennis Hordyk, Assistant Director, Department of Finance
Ms. Karen McGagin, Deputy Director, Department of General Services
Mr. William Evans, Deputy Director, Finance, Department of Transportation
Mr. Juan Fernandez, Director, Securities Management Division, State Treasurer's Office

ADVISORY MEMBER:

Director, Employment Development Department

LEGISLATIVE ADVISORS:

Assembly Member Darrell Steinberg
Assembly Member Kevin Shelley
Assembly Member Sally Havice
Senator Richard G. Polanco
Senator Betty Karnette
Senator Wesley Chesbro

STAFF PRESENT:

James E. Tilton, Administrative Secretary, State Public Works Board
Madelynn McClain, Secretary, State Public Works Board

OTHERS PRESENT:

Chris Vance, State Treasurer's Office
Jeanne Olivas, State Treasurer's Office
Deborah Cregger, Department of General Services
Darlene Matsen, Department of Corrections
Bill Donovan, Orrick, Herrington, and Sutcliffe

CALL TO ORDER AND ROLL CALL:

Mr. Hordyk, Chairperson, Assistant Director, Department of Finance at 10:05 am called the meeting to order. Mr. Tilton, Administrative Secretary for the State Public Works Board called the roll. A quorum was established.

BOND ISSUES:

Mr. Tilton reported that there were two bond items.

Item #1, Refunding Lease Revenue Bonds. This Item will:

- (1) Authorize the sale of State Public Works Board (SPWB) bonds to refund the SPWB Lease-Revenue Bonds – 1993 Series D (Susanville), 1996 Series A (Corcoran II) (Department of Corrections); 1993 Series B (Various Projects) (University of California); 1995 Series A (Department of Justice Building) (Department of General Services).
- (2) Approve the form of and authorize the execution and delivery of amendments to

the Facility Leases.

- (3) Approve the form of and authorize the execution and delivery of one or more Supplemental Indentures.
- (4) Approve the form of and authorize the execution and delivery of one or more amendments to Equipment Leases.
- (5) Approve the form of and authorize the execution and delivery of one or more Preliminary Official Statements and Official Statements.
- (6) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

It is estimated that these bonds will be sold for approximately \$768 million, with a TIC of 6 percent.

Mr. Tilton then noted that staff recommends approval of Bond Item #1.

A motion was made by Mr. Evans, Seconded by Ms. McGagin, to approve Bond Item #1 of the Bond Calendar. The motion was passed by a 4-0 vote.

Mr. Tilton reported that the second bond item was Bond Item #2, Adoption of a refunding policy. This item will:

Adopt a resolution adopting the State Public Works Board Refunding Policy.

Mr. Tilton then noted that staff recommends approval of Bond Item #2.

A motion was made by Mr. Fernandez, Seconded by Mr. Evans to approve Bond Item #2 of the Bond Calendar. The motion was passed by a 4-0 vote.

CONSENT CALENDAR:

Mr. Tilton noted that there were no consent items.

ACTION ITEMS:

Mr. Tilton noted that there were no action items.

OTHER BUSINESS:

Mr. Tilton noted that there were no items of other business.

REPORTABLES:

Mr. Tilton indicated there were no reportables.

NEXT MEETING:

Mr. Tilton noted that the next PWB meeting is scheduled for Friday, March 9, 2001, at 10:00 am in Room 112.

Having no further business, the meeting was adjourned at 10:08 a.m.

BOND ITEMS

BOND – ITEM 1

REFUNDING LEASE REVENUE BONDS

VARIOUS

Bonds under Master Refunding

Authority: State Building Construction Act of 1955, Title 2, Division 3, Part 10b California Government Code

a. Adopt a resolution to include the following:

- (1) Authorize the sale of State Public Works Board (SPWB) bonds to refund the SPWB Lease-Revenue Bonds – 1993 Series D (Susanville), 1996 Series A (Corcoran II) (Department of Corrections); 1993 Series B (Various Projects) (University of California); 1995 Series A (Department of Justice Building) (Department of General Services).
- (2) Approve the form of and authorize the execution and delivery of amendments to the Facility Leases.
- (3) Approve the form of and authorize the execution and delivery of one or more Supplemental Indentures.
- (4) Approve the form of and authorize the execution and delivery of one or more amendments to Equipment Leases.
- (5) Approve the form of and authorize the execution and delivery of one or more Preliminary Official Statements and Official Statements.
- (6) Approve other related actions in connection with the authorization, issuance, sale, and delivery of said refunding lease revenue bonds.

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 1

Refunding lease revenue bonds, California Department of Corrections; various projects, University of California; various projects, Department of General Services-Department of Justice Office Building

The resolution authorizes the issuance of refunding bonds for prior issuances that will be evaluated for refunding.

For the refunding, the maximum PAR is recommended not to exceed (the outstanding principals) with a present value savings of three percent. These issuances and their outstanding principals are listed in Appendix A of the resolution that is in your backup material. A portion of these refundings have been previously authorized by the Board; this resolution supersedes those authorizations and provides a singular authorization for refundings. While the authorization is for the entire outstanding principal, the refundings will undoubtedly be less since not all series will meet the Board's three percent threshold.

It is the Board's practice to proceed with refinancings, which produce at least three percent net present value savings over the original financings. In some instances, this requirement is waived for a portion of the maturities within an issue if the balance of the maturities merit refinancing and it makes sense to refinancing the entire issue. The issues proposed for refinancing will meet this general criteria at the time of financing, or the State Treasurer will defer sale until market conditions are more favorable.

APPENDIX A
LIST OF PRIOR BONDS

<u>Lease Revenue Bonds for</u>		<u>Principal Outstanding As of February 1, 2001</u>
2. Department of Corrections		
1993 Series D 1996 Series A		\$ 275,175,000. \$ 422,045,000.
3. The Regents of the University of California		
1993 Series B		\$ 158,355,000.
6. Department of General Services (Department of Justice Building)		
1995 Series A 1998 Series A		\$ 42,345,000. \$ 17,120,000.

BOND ITEMS

BOND – ITEM 2

ADOPTION OF A REFUNDING POLICY

- a. **Adopt a resolution adopting the State Public Works Board refunding policy**

APPROVED.

BOND ITEMS

STAFF ANALYSIS – ITEM 2

No staff analysis information available.

CONSENT ITEMS

CONSENT – ITEM

NO CONSENT ITEMS.

ACTION ITEMS

ACTION – ITEM

NO ACTION ITEMS.

OTHER BUSINESS

REPORTABLES

To be presented at meeting.

Date:

Respectfully Approved,

JAMES E. TILTON
Administrative Secretary